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UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
SOUTHERN DIVISION

NOV 23 1940

Cotton, Land, and People

A Statement of the Problem

Cotton is the basic crop in the agricultural life of the South. In the 10 principal Cotton States—North Carolina, South Carolina, Georgia, Alabama, Mississippi, Louisiana, Arkansas, Tennessee, Oklahoma, and Texas—the economic welfare of virtually every citizen, regardless of personal activities, rests in a large measure upon an agricultural foundation of which cotton is the keystone.

The 10 Cotton States, which are the basis of this discussion, are famed for many crops, but the annual average cash income in these States from cotton alone is more than the annual cash income from all of the other crops and livestock enterprises combined. Cotton has maintained its dominant place in these 10 States in spite of low prices, boll weevils, overproduction, foreign competition, synthetic fibers, and other limiting factors.

Cotton is a "money crop" upon which the farmers of these States have long depended for cash to pay bills and operating expenses. Regardless of how low prices may be, there is always a market for cotton, even at the smallest crossroads hamlet, where a farmer can exchange his lint and seed for cash. Regardless of what a farm may produce for food and feed, the fact remains that it must also produce some crop or crops which can be sold for cash. Money must be had to pay taxes and labor and buy clothes, seed, fertilizer, machinery, and other things the farm itself cannot produce. To get this cash income, southern farmers have long depended upon "King Cotton," despite the fact that this ruthless ruler has built a sprawling and densely populated kingdom where poverty and low income prevail.

During the 12 years 1924-35 the annual gross farm income from cotton and cottonseed in the 10 principal Cotton States averaged \$1,019,000,000. This was 41 percent of the average total gross farm income in these States from all crops and livestock enterprises combined; 59 percent of the gross income from crops alone; and was 39 percent larger than the gross income from livestock enterprises. From the standpoint of cash income, cotton occupies an even more important position than is indicated from the gross income data. For the 10 States, the average cash income from cotton in the 12 years 1924-35 amounted to 53 percent of the cash income from all crops and livestock enterprises combined; 67 percent of the cash income from crops alone, and was 158 percent more than the cash income from livestock enterprises. In individual States cotton looms even more

Based on an address by I. W. DUGGAN, Director, Southern Division, Agricultural Adjustment Administration, before the American Farm Economic Association, at Philadelphia, Pennsylvania, December 28, 1939.

important. In Mississippi, for example, where 66 percent of the people live on farms, the income from cotton during the 12 years has varied from 65 percent to 83 percent of the total cash farm income.

In 1934, cotton was produced on over two-thirds of the 2,713,597 farms in the 10 principal Cotton States. According to the last decennial census, more than 80 percent of the farms producing cotton in these States received at least 40 percent of their total income from cotton. Total farm population of the United States is about 32 million, and of this number approximately 10 million live on cotton farms, and derive the major portion, and in many cases their entire cash income, from the production of cotton. In 1924, 43 percent of the cultivated acreage in the 10 States named was devoted to cotton, in 1929, 44 percent, and in 1934, 27.5 percent.

Cotton is not only important to the farm people of the South, but to the region's entire population. In these 10 States many facilities have been developed to finance, transport, handle, and process the cotton crop. In some areas even the educational system is built around the cotton economy. The income from cotton determines to a large degree the funds available for education, and in many rural areas the school session is adjusted so as not to conflict with the peak of labor requirements in the production of cotton.

The first and most important problem of the South is that of low income. To state the problem simply, there just is not enough total agricultural income in the South to support the region's extremely dense farm population. In the 10 principal Cotton States, 47 percent of all the people live on farms. The average per capita income of these rural people is unbelievably small. They are, as the President has so aptly stated, "ill-fed, ill-clothed, ill-housed." Many, if not all of these ills, can be traced directly to an inadequate income. There is no hope of correcting these ills through the redistribution of the available income, because that income is so small and so inadequate that even if it were redistributed there still would not be enough to go around. The first problem is to increase the total income going to the South so there will be more to divide among its dense farm population.

The gross farm income per person for the 10 principal Cotton States for the years 1924-35 averaged \$184. For the first 5 years it averaged \$238, and for the last 5 years, \$127. The cash income is even more significant. For the first 5 years, this cash farm income amounted to \$190 per person and for the last 5 years it amounted to only \$95. It is impossible to distribute such a small cash income so as to give an adequate purchasing power to the entire farm population. It is impossible to achieve or maintain even an un-American standard of living on an income that low.

Out of this inadequate income it is necessary for producers to pay certain production costs, so that the income left for living is a much smaller figure. The cash out-of-pocket cost of growing cotton, the most important crop, is relatively large. The average cost for fertilizer alone, for the years 1923-32, inclusive, for the 10 States amounted to \$2.07 an acre. Fertilizer costs ranged from an average of 25 cents an acre in Oklahoma to \$7.40 an acre in North Carolina.

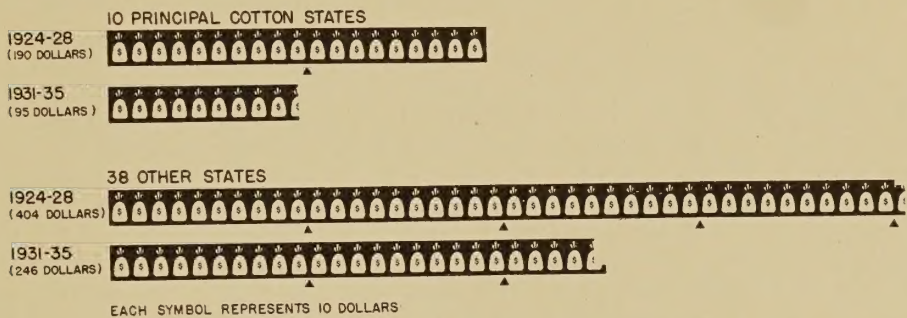
The cropland per capita of farm population in the South is far too small. In 8 of the 10 principal Cotton States there is less than 8

acres, and in 5 of these States there is less than 6 acres of cropland per farm person. More than one-third of all the farms in the United States are located in the 10 principal cotton-producing States. Out of the national farm population of almost 32 million people, more than 13 million live on all types of farms in these 10 States. With this dense farm population and limited cropland, the farming units of the South are generally too small to permit efficient operation and to support the average family. Even with the most intensive cultivation, ignoring for the time being the limited markets, 5 acres of cropland per person is not sufficient to maintain a standard of living equal to the average for all United States farmers. It is not probable that over a long period of time the dense farm population of the South can be supported on the limited cropland of the area.

Cotton has been the source of cash income in the South, because, in addition to being naturally adapted to the area, it has returned over a long period a higher income on both a per acre and a per hour basis than any other major crop except tobacco. According to an

PER CAPITA CASH FARM INCOME (5 YEAR AVERAGE)

(78 CROPS AND 13 LIVESTOCK ITEMS)



SOUTHERN DIVISION, AAA, U.S.D.A., JUNE 1940

extensive study made by the Bureau of Agricultural Economics,¹ the per acre and per man hour returns from cotton are small, but they are still far in excess of any other crop universally adapted to the South and for which there is a ready cash market.

The returns from crops other than cotton and tobacco might be somewhat higher if such crops were planted on the best land in the area, but they would still fall far short of equaling the income from cotton or tobacco.

In the report on the same study there is shown the estimated average acreage required to produce \$100 worth of products from certain livestock enterprises and from cotton in 8 of the principal Cotton States, on the basis of average yields and prices in the 10 years, 1923-32. Texas and Oklahoma were omitted because the principal livestock areas in those States are not cotton-producing areas to a large extent.

About one and one-half to over eight times as many acres were required to produce \$100 worth of products in the case of dairying, beef cattle, and hogs as in the case of cotton. Even poultry required

¹ The World Cotton Situation. Part II, Cotton Prod. U. S.—BAE, Washington, D. C., February 1936.

a third more acreage than cotton to produce \$100 worth of products. The relatively low returns from livestock enterprises in these States are attributed to the low average yields of feed crops and the low carrying capacity of most pastures. The small acreage of cropland per person is also one of the limiting factors in increasing livestock production. Other limiting factors are the large investment required in livestock enterprises, the lack of training and experience in livestock production, and the system of farm tenure. Losses from disease and insect pests still delay the expansion of the livestock industry in the South.

In the 10 principal cotton-producing States the 1935 census showed that of a total of nearly 2,714,000 farms there were 758,000 without a milk cow, 973,000 without a hog, and 340,000 without even a chicken. These figures show the drastic need for expanded production of livestock to meet home needs. The livestock that is produced in the 10 States is not an accurate guide to the number used on farms because of the large-scale livestock industry especially in the noncotton areas of Texas and Oklahoma and local areas in other States. The facts are that a considerable portion of the livestock and livestock products goes to market, and though originating in these States, does not furnish a part of the food needed by cotton farmers who cannot afford to buy these products.

In a recent preliminary study by the Bureau of Agricultural Economics² it is estimated that an additional 5.8 million acres of cropland and 8.7 million acres of pasture land would have been required in 1937 to furnish a minimum adequate diet for farm families in 8 of these 10 States. North Carolina and Tennessee are the 2 States excluded in this study. The same study showed that more than three-quarters of a million additional dairy cows were needed in 1937 to supply the dairy products and 15 million more chickens were needed to supply the eggs for a minimum adequate diet.

Here again the problem of dense farm population and limited cropland is an important factor because the profitable production of livestock requires adequate pastures and plenty of home-grown feed. Few farms in the Cotton Belt can further take away from their "cash" crops the land needed for pastures and feed. Furthermore, the South, except for certain well-defined areas, is not well adapted to grazing. There are no universally adapted perennial or biennial legumes in the South which provide grazing and forage.

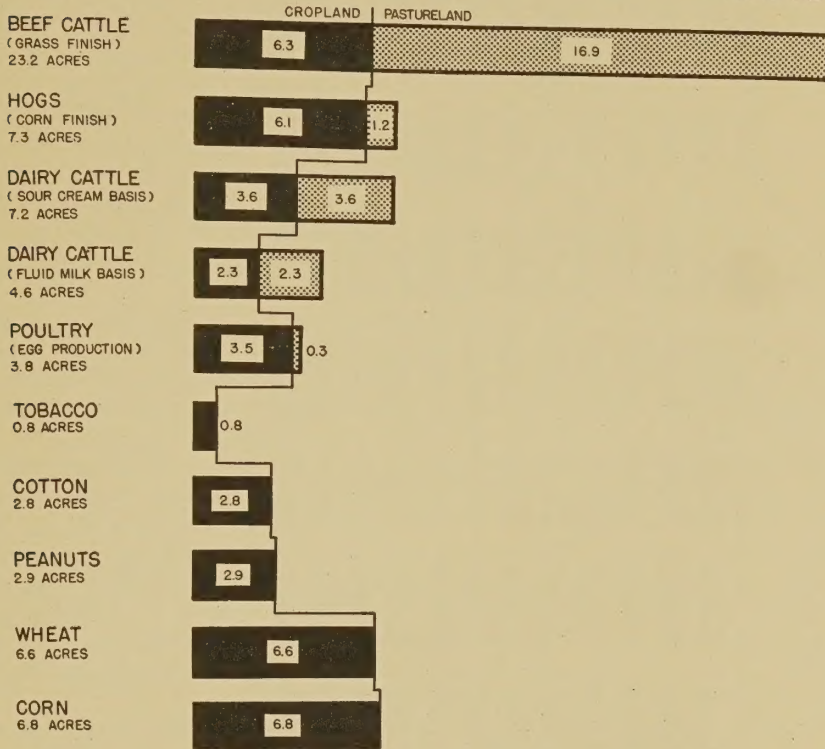
Some observers have been keenly interested in the possible expansion of the livestock industry in the South under the Agricultural Adjustment Administration's program of diverting cotton acreage. The program not only permits but encourages the production of food and feed needed for home use but there are definite restrictions on the use of diverted acres for commercial production. In addition, not all of the land diverted from cotton is available for food and feed as it is necessary to devote considerable acreage to soil-conserving and soil-building uses if the productivity of the soil is to be restored and maintained.

It is estimated that 282 million acres in the United States have been badly damaged by erosion. Of this amount approximately 30

² Food, Feed, and Southern Farms—Farm Management Reports No. 1—BAE, Washington, D. C., November 1939.

percent is in the 10 Cotton States. An additional large portion of the cropland of the South is damaged by moderate erosion. The system of tenure, the cropping system, the low income, the topography, and the climate have, for a long period, contributed to the depletion of the soil.

ACREAGE REQUIRED TO PRODUCE 100 DOLLARS WORTH OF PRODUCTS IN 8 COTTON-PRODUCING STATES*, 1923-32



* NORTH CAROLINA, SOUTH CAROLINA, GEORGIA, ALABAMA, TENNESSEE, MISSISSIPPI, LOUISIANA, AND ARKANSAS.
SOURCE: U.S.D.A., B.A.E., WORLD COTTON SITUATION-(MIMEO)-FEBRUARY 1936. (PART 2)

ACRES OF CROPLAND PER FARM PERSON - 1935

8 COTTON-PRODUCING STATES* (6.0 ACRES)



UNITED STATES, AVERAGE (13.1 ACRES)



EACH SYMBOL REPRESENTS ONE ACRE OF CROPLAND.

COMPUTED FROM CENSUS OF AGRICULTURE, 1935.
SOUTHERN DIVISION, AAA, U.S.D.A. - JUNE 20, 1940.

Sharecroppers and tenants who stay on a farm for only 1, 2, or 3 years have not been interested in expending the labor and money necessary to conserve and build the soil. Moreover, they have not known how to do this, and the management has not encouraged them along this line. The farm income has been so low that every dollar was needed for bare subsistence. Money could not be spared to buy the seed and fertilizer needed in soil-conserving practices.

Because of the dense farm population and the low income, too much of the land of the South has been devoted to soil-depleting, intertilled cash crops which leave the soil bare during the open winters, the season of heaviest rainfall in most of the region. Much of the cropland, especially in the Piedmont areas, should not be planted to row crops because it is too steep for cultivation. Nevertheless, it is continually cropped year after year in cotton and corn because of the need for land. To keep a cover on the soil throughout the year in much of the South, it is necessary to plant both a winter and a summer cover crop. In most cases the seed for winter cover crops has to be imported from without the region and requires an out-of-pocket cash outlay. To get satisfactory results from cover crops in the South, it is necessary on much of the land to apply phosphate, lime, or both, which also requires a cash outlay.

The opportunities for supplementary farm income from forest enterprises are not being used to benefit the farmer to the fullest extent in the South. The lack of stability in the farm population, the length of time before income can be realized, and the size of farm units all hinder development of forest enterprises.

The story of forestry in the South in most instances is a story of exploitation. From my rather limited observations, the present operations of the pulp mills are the last stages in the exploitation of the forests of the South. Many farmers have told me of the low prices they have received for wood sold to the pulp mills. That is distressing news today, but what concerns me most is that it foreshadows further depletion in the years ahead of the South's once magnificent forests. Improved forestry methods are needed, and improved woodland management would be an asset to cotton farmers.

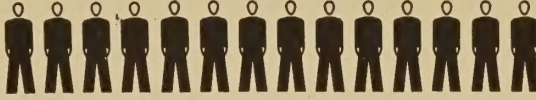
Probably one of the most discussed problems of the South is the high rate of farm tenancy. It seems to me, however, that the South's system of tenure, the cropping system, and the credit system have grown up together and are so closely intertwined that it is difficult to deal with any one separately.

Sharecropping dates back to the War between the States and is an outgrowth of the conditions following the emancipation of the slaves. The planter had possession of the land and in many cases, the tools and equipment, but no money with which to employ labor. The laborer had no money with which to acquire land, tools or equipment, or to finance his operations, and was unskilled in any other occupation except agriculture. Out of this situation grew the sharecropper-tenant system as we have it today. The need for credit to finance crops made it essential that crops be grown for which there was a ready cash market. Cotton was the natural answer to the cash crop problem.

The high rate of tenancy in the South is too well known for any detailed discussion. It will be sufficient to remind you that 60 per-

PERCENTAGE OF FARMERS WHO ARE TENANTS – 10 PRINCIPAL COTTON STATES, 1935

MISSISSIPPI
69.8 PERCENT



GEORGIA
65.6 PERCENT



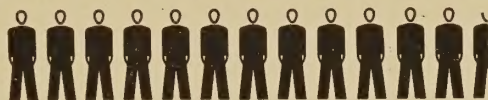
ALABAMA
64.5 PERCENT



LOUISIANA
63.7 PERCENT



SOUTH CAROLINA
62.2 PERCENT



OKLAHOMA
61.2 PERCENT



ARKANSAS
60.0 PERCENT



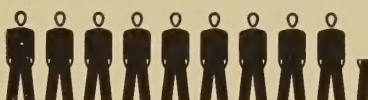
TEXAS
57.1 PERCENT



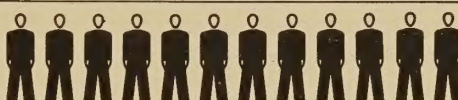
NORTH CAROLINA
47.2 PERCENT



TENNESSEE
46.2 PERCENT



10 PRINCIPAL
COTTON STATES
60.0 PERCENT



EACH PERSON REPRESENTS 5 PERCENT OF FARMERS
SOURCE: REPORT OF THE PRESIDENTS COMMITTEE, FEBRUARY 1937.

cent of all the farmers in the 10 States are tenants or sharecroppers. The percentage ranges from 47 in North Carolina to 70 in Mississippi. Despite the heavy Negro farm population, there are 40 percent more white than Negro tenants in the South. Tenancy has shown a steady increase, even during the relatively prosperous period of the twenties. In the State of Oklahoma, for example, which started out 50 years ago as free land to all who would homestead it, we find today 61 percent of the farmers are tenants. On the average about 40 percent of the tenants in the South move every year, and over half move every 2 years.

The credit system of the South with high interest rates has contributed to the tenancy problem. However, providing low interest credit alone will not solve this problem. If the income from the farm is not sufficient to pay back the principal, a low interest rate in itself would not bring about farm ownership. Here again the press of population for land tends to lead to the overcapitalization of land values and retards operator ownership.

There are other matters growing out of the sharecropper-tenant system that should be called to your attention. The question of a fair division of crop and livestock products between sharecroppers and landlords and between tenants and landlords has long been a controversial issue. In recent years, it has come up repeatedly in connection with division of Government payments. As yet, this question has not been satisfactorily answered either for the landlord or the tenant. However, here again the division of an inadequate income cannot be satisfactory to either the tenant or the landlord. The first problem is to increase the total income.

Under the farming and tenure system, tenants find it difficult or impossible to obtain productive employment when not engaged in the production and harvesting of the cotton crop, which requires only about 120 days of productive labor. Thus, for two-thirds of the year the cotton farmer is practically without cash-producing employment.

The tenant, however, does have opportunity for additional employment if he produces his own food and feed and takes care of his livestock, farm buildings, and equipment. While this would tend to lower the cash expense and improve the standard of living, it would not materially add to the cash income and purchasing power. Yet, even here we meet resistance because the skill required to properly do these things has not been developed. These people lack experience and educational opportunities.

Educational opportunities are lacking despite the fact that the 10 principal Cotton States spent 3.2 percent of their total 1935 income for educational purposes. This figure compares favorably with other regions and the United States as a whole. We must keep in mind, however, that the South has an added burden of supporting a dual school system which, while necessary, tends to increase the financial burden.

The opportunities for part-time employment of the South's rural people in industry are also limited. There are large deposits of certain minerals in the South, but even here the opportunities for employment of seasonal farm labor are limited. It might be mentioned in passing, that the area does not receive maximum benefits from its natural resources because, as a rule, they are controlled by absentees.

The annual production of oil in Texas, for example, has a valuation of several hundred million dollars, yet only a small amount of this remains in Texas in the form of royalties, labor, and transportation costs. The same is true of many of the manufacturing and other industrial concerns located in the South, as most of these have been developed with outside capital and the profits go out of the region. The large insurance companies are not located in the South and for a long period of years the South has sent money which was sorely needed for local development to other regions to buy insurance.

Many of the advantages the South has had to offer industry have been nullified. Freight rates have played no small part in offsetting the natural advantages of the South. In a recent study made by the Tennessee Valley Authority³ it was found that the per ton-mile cost of hauling freight is actually lower in the South than it is in the Northeastern States yet the charges for freight are considerably higher in the South than they are in the Northeast. This disparity is even greater between the Northeast and the Western areas.

The use of consumption goods in the South is low because its people do not have the necessary purchasing power. If more manufacturing and industrial plants were located in the South, there would be a larger outlet for a more diversified agriculture. We have a large group of people who are not able to buy the consumption goods they need. These people need employment and could be used in producing these goods. Could not these two factors be reconciled without detriment to other regions?

It is possible that all or almost all of these handicaps could have been overcome if it had not been for the long-time national tariff policy. That, of course, is one man's personal opinion on a deep-rooted economic question that has rocked this country since the days of Alexander Hamilton—split it once—and apparently is just as far from being settled today as it ever was. The reciprocal trade agreements program of the present Administration is one approach to this problem but even this more or less mild effort to recognize that we can't sell if we don't buy is being singled out for attack in some quarters. The tariff is merely mentioned as one of the South's major problems.

Cotton and tobacco, the principal crops of the South, are both export products and we normally sell half or more of these crops abroad. Historically, the whole economy of the South has been built around cotton. Cotton has been the most important export commodity of the United States since shortly after Whitney invented the cotton gin.

The average annual value of cotton exports from 1875 to 1910 amounted to about \$260,000,000. During these same years the average favorable balance of merchandise exports from this country amounted to about \$250,000,000. This was a period when it was generally considered that the United States was prosperous; a period when the interest and principal of our foreign debts were being paid off. In other words, cotton exports played no small part in paying for the industrialization of this country in the nineteenth century.

³ The Interterritorial Freight Rate Problem of the United States.

If 90 percent or more of the cotton crop were domestically consumed, it might not be difficult to attain parity income from cotton production. But, whether we like it or not, that is not the case. American cotton depends on foreign mills for a large part of its consumption. Suppose, for example, that our cotton producers during the last few years had received a parity price for that portion of the crop domestically consumed, world prices for the remainder of the crop, even with normal production, would leave the farmer's income from cotton much below parity, possibly 25 to 30 percent below.

Prior to the World War we were a debtor Nation, but we came out of the war a creditor Nation, which made it difficult to sell abroad. For a while, through large loans during the 1920's, the full effect of the change to a creditor nation was not felt on exports. Trade agreements, such as the one in which Japan agreed to take up to 1 million bales of Indian cotton a year and India agreed to take up to 400 million yards of Japanese cloth a year, have further handicapped the exports of American cotton.

Another important factor is that foreign acreage in cotton production has been on an upward trend during the last half century. According to a study by the Bureau of Agricultural Economics in 1934, foreign cotton production for the preceding 45 years increased at the rate of 150,000 bales a year while the average annual increase for the United States was a little more than 100,000 bales a year. Since 1920 foreign acreage has almost doubled. About 17 million acres of this increase took place between 1932 and 1938. However, most of this increased acreage in foreign countries is accounted for by the four countries of Russia, China, Uganda, and Brazil. The increase in three of these countries, China, Russia, and Uganda, can be attributed to internal conditions and probably would have taken place regardless of policies in other countries. This is also true of a considerable amount of the increase in Brazil.

It should be borne in mind that this increase in foreign acreage of cotton has taken place while the world price of cotton was on a very low level. About 10 years ago foreign countries produced around 10 million bales of cotton for the equivalent of approximately \$900,000,000 in American money. In recent years foreign countries have produced around 16,000,000 bales of cotton for an equivalent of around \$600,000,000 in American money. These foreign countries are now growing 60 percent more cotton for about 30 percent less money than they did 10 years ago.

Cotton farmers of the South cannot produce cotton for the world market and live at world prices. On the other hand, they cannot afford to give up the foreign market for cotton without rearranging the whole economy of the South. Such a rearrangement would affect the entire Nation.

One other development which is making it more difficult to sell cotton abroad is the increased production of continuous filament rayon and rayon staple fiber. World production of these fibers increased from about 33,000,000 pounds, or the equivalent of 78,000 bales of cotton in 1920, to 2,231,000,000 pounds or the equivalent of over 5 million bales of cotton in 1939. Most of these fibers are produced in Japan, Germany, United States, Italy, Great Britain, and France in the order named. It does not mean that this much cotton has been

replaced, but the increased use of synthetic fibers has to be reckoned with both at home and abroad in dealing with the cotton problem. Possibly as significant as the increase in the production is the decline in price of filament rayon. In 1920 the price of filament rayon was \$4.66 per pound of yarn. By 1939 the price had declined to 52 cents per pound of yarn.

The problems raised appear to be the basic economic ills of the South. There are others, of course, that have not been expanded upon, such as the prevalence of diseases—particularly nutritional diseases growing out of inadequate diets, and the absence of adequate medical care and hospital facilities. Then, too, we have the sorry spectacle of women and children working long hours in cotton fields—women who bear more than their share of the Nation's children. In sharp contrast to the hours of back-breaking hand labor, we have the more recent mechanization of cotton production with tractors for cultivation, airplanes for dusting and the mechanical picker lumbering through the experimental stage.

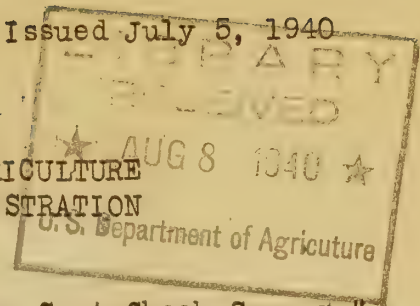
These problems will not be elaborated upon, for it seems that they are contributory to, or have resulted from, a desperate situation which is the fountain head of the South's economic ills. This desperate situation can be summarized in one statement. That is: the press of a dense farm population against the limited natural resources, together with artificial, man-made handicaps and legal barriers, such as the tariff, have resulted in an inadequate income both in the aggregate and on a per capita basis.

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S O E M

SRM-429
Southern Region Miscellaneous Series

Issued July 5, 1940

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
Southern Division



Preparation of Forms SRM-420, "Performance Spot-Check Summary"

I

County Summary

A Form SRM-420, "Performance Spot-check Summary," (hereinafter referred to as Form 420) shall be prepared in duplicate in the State office for each county in the State. Form 420 shall be prepared after all spot-check work by the State Reviewer(s) in the county in question has been completed. The information to be entered on Form 420 will be taken from the Forms SRM-419, "Performance Spot-check Report," (hereinafter referred to as Forms 419) executed by State Reviewers in connection with their spot-check work in the particular county.

Before beginning the preparation of Form 420 all Forms 419 prepared by State Reviewers with respect to the county should be assembled by names of the Performance Reporters. At least 2 percent of the farms on which performance is determined in each county must be spot-checked and the spot-check must include at least one farm checked by each performance reporter in the county. The following entries should then be made in the State office on each Form 419:

Enter below column (d) the number of entries in that column.

Circle the entries in column (g) that are as much as 2 percent of the entry on the same line in column (f), provided, however, that entries in column (g) of not more than .1 chain shall not be circled.

Enter below column (g) the number of circled entries in that column.

Form 420 shall then be prepared as follows:

Enter in the space provided the names of the county and State.

Summarize the applicable data on the Forms 419 for each Performance Reporter and enter such data on Form 420 as follows:

Enter in column A the name of the Performance Reporter.

Enter in column B the number of farms spot-checked which will be the number of Forms 419 for the particular performance reporter.

Enter an "X" in column C if the Forms 419 indicate that the work of the performance reporter was spot-checked at the time of two or more separate visits of the State Reviewer(s) to the county.

Enter in column D the number of fields rechecked which will be the total of the entries, "Number of fields in farm," on the Forms 419.

Enter in column E the number of fields incorrectly reported which will be the total of the entries, "Number of fields misclassified," on the Forms 419.

Enter in column F the result, expressed to the nearest tenth of 1 percent, obtained by dividing the entry in column E by the entry in column D.

Enter in column G the number of lines rechecked which will be the total of the entries below column (d) on the Forms 419.

Enter in column H the total number of measurements in error by more than .1 chain and also by as much as 2 percent. This entry will be the total of the entries below column (g) on the Forms 419.

Enter in column I the result, expressed to the nearest tenth of 1 percent, obtained by dividing the entry in column H by the entry in column G.

Enter an "X" in the applicable column J, K, or L. This will be determined from the data shown in section IV of the Forms 419.

If an "X" is entered in column L enter in column M the number of performance reports rejected which will be the same as the entry, "Number of farms checked to date by this reporter," from the heading of Forms 419.

After entries have been made on Form 420 for all Performance Reporters in the county entries should be made in the space provided for "total" in columns A through M as follows:

Enter in columns B, D, E, G, H, and M the sum of the entries in the respective columns.

Enter in columns A, C, J, K, and L the number of entries in the respective columns.

Enter in column F the result, expressed to the nearest tenth of 1 percent, obtained by dividing the total of column E by the total of column D.

Enter in column I the result, expressed to the nearest tenth of 1 percent, obtained by dividing the total of column H by the total of column G.

The copy of Form 420 should be forwarded to the county and the original filed in the State office.

II

State Summary

When Forms 420 have been prepared for each county in the State, Forms 420 should be prepared in duplicate for the State. The preparation of the Forms 420 shall be the same as that used in preparing the form for a county except that:

The entry in column A shall be the name of the county followed by the number of Performance Reporters in the county.

The entries in the remaining columns shall be the corresponding entries in the "total" line of the Form 420 for such county.

After data has been entered for all counties in the State, entries should be made in the space provided for total in columns A through M in accordance with the instructions set forth above for making such entries on forms executed with respect to a county except that the total to be entered in column A shall be the sum of the "total" entries in column A on Forms 420 prepared with respect to counties. Entries in the space for total need be made only on the last Form 420 used in listing data for counties in the State.

The original of the Forms 420 prepared to be a summary by counties of the Performance Reviewers' work in the State shall be forwarded to the Southern Division. One copy of the Forms 420 shall be filed in the State office.

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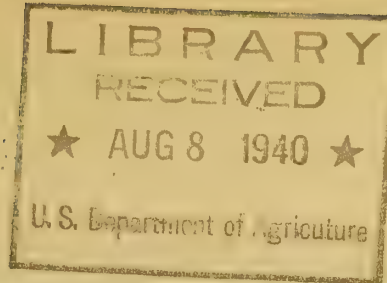
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SRM-430
Southern Region Miscellaneous Series



Issued July 2, 1940.

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
SOUTHERN DIVISION

COUNTY OFFICE INSTRUCTIONS - BLUE-CURED TOBACCO MARKETING QUOTAS
(1940-41 MARKETING YEAR)

Each county office will have the following responsibilities in connection with the tobacco marketing quotas:

1. Determination of harvested acreage.
2. Preparation of records for nonwarehouse sales, prior to opening of markets.
3. Preparation of listing sheets.
4. Checking of tobacco disposed of without marketing.
5. Issuance of marketing cards and reporting loss, destruction or theft of marketing cards.
6. Assembling memoranda of sale and reporting indicated violations.
7. Preparation of applications for return of penalties paid.

1. Determination of Harvested Acreage. The acreage of tobacco harvested on each farm in the county, shall be determined in accordance with the instructions contained in SRB-403-B. The harvested acreage of tobacco for each tobacco farm shall be determined prior to issuance of the marketing card.

2. Preparation of Records for Nonwarehouse Sales Prior to Opening of Markets. A "Bill of Non-warehouse Sale" (Form 40-Tob. 43) is required to be prepared by each buyer who purchases tobacco anywhere except at a warehouse sale. If the buyer so requests and a determination of the harvested acreage of tobacco has been made but the marketing card has not been delivered to the farm operator, the county office shall execute the "Certificate of County Office" section of Form 40-Tob-43 and shall retain the third copy of such form. The county office shall issue a memorandum of sale from the marketing card to cover each such sale before the card is delivered to the operator. In such case the county office shall retain the county office copy of the memorandum of sale and shall forward the purchaser's copy to the Marketing Quota Section. The person issuing the memorandum of sale shall also enter on the inside of the front cover of the marketing card the number of pounds sold and affix his initials in the space immediately to the right thereof.

3. Preparation of Listing Sheets. The county office shall prepare Forms 40-Tob-31, "Within Quota Listing Sheet," listing thereon data for all tobacco farms in the county from which tobacco was harvested in 1940. After Form 40-Tob-31 has been prepared, a line shall be drawn through the data for (1) each farm on which the harvested acreage of tobacco is in excess of the tobacco acreage allotment for the farm and also (2) each farm on which the harvested acreage of tobacco is within the allotment but which is operated by a person who also operates any other farm on which the harvested acreage of tobacco is in excess of the farm acreage allotment. The data for each farm for which the data is lined through on Form 40-Tob-31 as indicated above shall then be listed on Form 40-Tob-32, "Excess Listing Sheet."

If, because of an error in either the county or State office, the operator was notified of an erroneous acreage allotment and, acting solely upon the basis of the information contained in the erroneous notice, planted an acreage of tobacco in excess of the final and correct acreage allotment established for the farm, the allotment contained in the erroneous notice shall be used for all purposes in connection with tobacco marketing quotas.

Entries shall be made in columns 1 through 9, Form 40-Tob-31, as follows:

Column Number and Heading:	Source of Entry
1. Farm Serial number	: Form SR-301 or Form 40-Tob-10
2. Name of operator	: Form SR-301 or Form 40-Tob-10
3. Acreage allotment	: Form SR-301 or Form 40-Tob-10
4. Normal yield	: Form SR-301 or Form 40-Tob-10
5. Normal production	: Column 3 times column 4
6. Estimated production	: See instructions below
7. Harvested acreage	: Form SR-412
8. Total sales including scrap <u>1/</u>	: Memoranda of sales
9. Actual yield per acre	: Column 8 divided by column 7.

1/ If there is any tobacco produced on the farm in 1940 which will be carried over to future marketing years or if there was any tobacco marketed during the 1940-41 marketing year which was produced in a prior year, the entry in column 8 should be deleted and there should be entered therein the sum of the entry in column 8 and any tobacco which will be carried over minus any tobacco carried over from a preceding crop and marketed in 1940.

Columns 3, 5, 6, 7 and 8 shall be totaled on each page of the Form 40-Tob-31 and such totals shall not include any entries which have been lined through.

Entries in columns 1 through 7 shall be made prior to the issuance of the marketing card. The county committee shall review the data for each farm and in any case where it has reason to believe that the production of tobacco on the farm in 1940 is materially less than the normal production in column

5, the estimated production shall be entered in column 6.

Data for those farms for which data have been lined through on the Within Quota Listing Sheet shall be entered on Form 40-Tob-32. Entries in columns 1 through 11 shall be made prior to the issuance of marketing cards and entries in columns 12 through 17 shall be made as soon as the information is available.

Entries shall be made in columns 1 through 17 as follows:

Column Number and Heading	Source of Entry
1. Farm serial number	: Form 40-Tob-31 or Form SR-301
2. Name of operator	: Form 40-Tob-31 or Form SR-301
3. Acreage allotment	: Form 40-Tob-31 or Form SR-301
4. Harvested acreage	: Form SR-412
5. Excess acreage	: Column 4 minus column 3
6. Percent excess acreage	: Column 5 divided by column 4 $\frac{1}{1}$
7. Normal yield	: Form SR-301
8. Normal production	: Column 3 times column 7
9. Estimated production	: Column 4 times column 10
10. Estimated yield per acre	: See instructions below
11. Preliminary quota $\frac{2}{1}$: Column 10 times smaller of column 3 or column 4
12. Pounds marketed $\frac{3}{1}$: Memoranda of sales
13. Pounds unmerchantable	: Form 40-Tob-33
14. Pounds stored	: Form 40-Tob-33
15. Actual production	: Sums of columns 12, 13 and 14
16. Actual yield per acre	: Column 15 divided by column 4
17. Final quota	: Column 16 times smaller of column 3 or 4

- 1/ The percentage to be entered in column 6, shall be expressed as a whole percentage and fractions shall be disregarded.
- 2/ Entries shall be made in column 11 only for those farms on which there is no excess acreage but for which an excess card is issued. If the preliminary quota for a farm is found to be too small, the estimated yield and the preliminary quota should be revised upward and additional quota issued accordingly.
- 3/ If the entry in column 12 includes any tobacco which was carried over from a previous marketing year delete the entry in column 12 and insert therein the result obtained by subtracting the pounds of tobacco carried over from the deleted entry.

The estimated yield per acre to be entered in column 10 shall be determined by the county committee upon the basis of the best information available to it. If necessary, an employee of the county association shall visit the farm to estimate the yield to be entered in column 10. The estimated yield and the estimated production on "excess farms" should be reasonably accurate as the farm operator will be requested to account for disposition of a quantity of tobacco equal to the estimated production.

Columns 3, 4, 5, 8, 9, 11 through 15, and 17 should be totaled on each page of Form 40-Tob-32.

If the county office records indicate that the operator of any farm on which the harvested acreage exceeds the allotment is also the operator of a farm in another county, the county office of such other county shall be promptly notified in order that excess marketing cards may be issued for such operator's farms in that county.

4. Checking of Tobacco Disposed of Without Marketing. If the acreage of tobacco harvested on any farm is in excess of the farm acreage allotment and the operator of the farm desires to dispose of a quantity of tobacco equal to the estimated average yield for the farm in 1940 times the excess harvested acreage so as to obtain a Within Quota Marketing Card, the county committee shall designate a committeeman or supervisor to estimate the yield of tobacco for the farm in 1940, and to check the disposition of the excess tobacco.

A report of the disposition of such tobacco shall be made on Form 40-Tob-33. The county code and farm serial number and the name and address of the operator shall be entered in the spaces provided.

Form 40-Tob-33 shall be executed as follows:

Item No.	Source of Entry
1	: Column 4, Form 40-Tob-32
2	: Column 3, Form 40-Tob-32
3	: Item 1 minus item 2
4	: Column 9, 40-Tob-32, adjusted : by county committee if additional : information is available
5	: Item 4 divided by item 1
6	: Item 6 times item 3
7	: Committeeman or supervisor <u>1/</u>
8	: Farm operator
8(a)	: Farm operator
9	: Sum of items 7 and 8
10	: Committeeman or supervisor <u>1/</u>
11	: Farm operator
11(a)	: Farm operator
11(b)	: Farm operator
12	: Column 12, 40-Tob-32
13	: Sum of items 10, 11, 12
14	: Col. 12 of Form 40-Tob-32
15	: Col. 17 of Form 40-Tob-32
16	: Item 14 minus item 15
17	: Memoranda of sale
18	: Item 16 times 10¢
19	: Item 17 minus item 18
	:

1/ The committeeman or supervisor shall enter the condition of the excess pounds disposed of as well as the number of pounds and the method used in determining the number of pounds.

The farm operator and the county committeeman who checked the disposition of the excess tobacco shall execute Sections III and IV, respectively.

In no case will both Sections I and II be executed on the same form. Section I will be used only if the excess tobacco is disposed of before marketing cards are issued for the farm; otherwise, Section II will be used. If the excess tobacco is to be used on the farm the tobacco shall be so treated that it will be unsuitable for marketing prior to the approval of its disposition. A suggested method of disposing of such excess is to thoroughly spread the tobacco on the ground, saturate it with water and sprinkle it generously with lime. The supervisor or committeeman shall see that the treatment is such that the tobacco may not be marketed. If the tobacco is to be placed in storage the farm operator shall furnish full and complete information as to the amount of tobacco and the condition and place in which it will be stored. If the tobacco is redried, the farm operator shall also furnish information as to the number, grade, and any other identifying marks on the tobacco in storage. The county committee shall verify such information before section IV is executed by a member of the county committee.

5. Issuance of Marketing Cards and Reporting Loss, Destruction or Theft of Cards. Marketing cards shall be issued in accordance with the instructions contained in sections 4, 5, 9, 10 and 11 of Form 40 Tob-42, "Marketing Quota Regulations."

The following entries shall be made on each Form 40-Tob-28, "Within Quota Marketing Card" before it is issued to the farm operator:

- (a) The name of the farm operator shall be entered in the space provided on the cover of the marketing card and on each memorandum of sale.
- (b) The smaller of the entry in column 5 or column 6, if any, Form 40-Tob-31 shall be entered in the space provided on the inside of the cover. If the operator requests two or more cards, the pounds assigned to each card shall also be entered in the space provided. In such cases the sum of the pounds assigned to all cards must not exceed the smaller of the normal production or estimated production in columns 5 and 6, Form 40-Tob-31.
- (c) The name and address of the county association and the farm serial number shall be entered in the space provided on each memorandum of sale; on the "Operator's Receipt for Marketing Card;" and on the back cover. (Note: Stamps for this purpose will be furnished county offices of counties having 20 or more tobacco farms.)
- (d) Enter on the "Operator's Receipt" the serial number of the marketing card which is printed on the cover and which is the same as the serial number of the first memorandum of sale in the card.

- (e) After the card has been prepared as indicated above, the issuing agent shall affix his signature on the cover.
- (f) Before the card is delivered to the farm operator, he must sign the "Operator's Agreement" and the "Operator's Receipt" in the presence of the person delivering the card. The person delivering the card shall sign the "Operator's Agreement" and deliver the card to the farm operator.

If all memoranda of sale in a card are issued and the operator returns the card and requests another card, the new card shall be issued as indicated above and in addition there shall be entered in the heading of the column designated "Memorandum No." the words "Brought Forward" and in the heading of the column designated "Pounds this Memorandum" the total pounds sold on the first card.

Each Form 40-Tob-29, "Excess Marketing Card," shall be executed and delivered to the farm operator as indicated above for "Within Quota Marketing Cards" and in addition the following entries shall be made:

- (a) The card number may be entered on the cover if two or more cards are issued for the same farm. (For example: Card numbers 1, 2, 3, etc.)
- (b) The estimated production, column 9, Form 40-Tob-32, shall be entered on the cover.
- (c) The acreage allotment and harvested acres shall be entered inside the cover from columns 3 and 4, respectively, Form 40-Tob-32.
- (d) The percentage excess (Column 6, Form 40-Tob-32) shall be entered in the spaces provided and shall be shown in both figures and words.
- (e) The marketing quota shall be entered from column 11, Form 40-Tob-32, for those farms on which there is no excess acreage but for which an excess card is issued.

Each county committee shall designate one person to sign marketing cards for farms in the county as issuing agent. As indicated above, the issuing agent shall sign each marketing card prior to its delivery to the farm operator but the marketing card shall not be delivered to the farm operator until he has signed the Operator's Agreement and the receipt therein. The receipt shall be detached from the marketing card and retained in the county office file. (Note: The operator's receipts shall be filed in the county office and it shall be the responsibility of each county association treasurer to account for all cards (Forms 40-Tob-28 and 40-Tob-29) with either the unused cards or properly executed "Operator's Receipts").

6. Assembling Memoranda of Sale and Reporting of Indicated Violations.

The county office shall file the memoranda of sale by farms as received and shall maintain cumulative totals of the pounds sold. After all memoranda of sale for a farm have been received, the total sales shall be entered in column 8, Form 40-Tob-31 or column 12, Form 40-Tob-32.

If, at any time, it appears that the total marketings of tobacco from a farm are in excess of the estimated actual production of tobacco on the farm, the county committee shall make or cause to be made such preliminary investigation as it deems appropriate with a view to determining whether tobacco from any other farm has been marketed under the marketing card for the particular farm. In any instance where it appears that the marketing card for one farm has been used to market tobacco from another farm the county committee shall forward immediately a report of the indicated violation on Form 40-Tob-34 to the Marketing Quota Section, Agricultural Adjustment Administration, Washington, D. C.

If it appears from the memoranda of sale received in the county office for any farm that the tobacco available for marketing from the farm is not being marketed, the county committee shall make or cause to be made such investigation as it deems appropriate with a view to determining whether the tobacco is being so disposed of, the county committee shall forward immediately a report of the indicated violation on Form 40-Tob-34 to the Marketing Quota Section.

7. Preparation of Applications for Return of Penalties Paid. Whenever marketings of tobacco from any farm have been completed the county office shall; in the case of Within Quota Marketing Cards, add the total marketings as shown on all memoranda of sale for the farm and on the marketing card (if returned to the county office by the farmer) and complete the entries on Form 40-Tob-31. In the case of farms for which Excess Marketing Cards are issued the county office shall obtain a report from the farm operator on Form 40-Tob-33 showing the disposition of the excess tobacco. If excess penalty has been paid and the operator desires to submit an application for return of penalties paid, such application must be filed on Form 40-Tob-41.

Form 40-Tob-41 shall be executed as follows:

- (a) Enter the State and county code and farm serial number in the space provided in the upper right corner.
- (b) Enter in Table I in the spaces provided the name and address of each warehouse at which a sale was made or the name and address of each buyer for nonwarehouse sales and in the spaces provided thereunder, the serial number and date of each memorandum of sale issued covering a sale of tobacco at that warehouse or to that buyer.
- (c) Enter in items 7 through 12 the data shown in items 14 through 19, respectively, Form 40-Tob-33.

(d) Enter in the spaces provided in columns A and B of Table II the name and address of each person applying for the return of penalty paid with respect to the farm. (a) Where the amount shown in column C is to be paid separately to one person, the name, address and signature of such person should be shown in column A and a mark should be drawn through the space in column B. Where the amount is to be paid jointly to two persons, the name, address and signature should be shown in column A and the name and signature of the other person in column B. The making of payments to each person separately as to joint payees should be left to the choice of the farm operator and other persons who are entitled to share with him in the payment.

(c) Enter in column C of Table II the amount to be repaid to each applicant and in item 13 the total of the amounts in column C which total must equal the amount in item 12. The division of the amount of penalty to be returned shall be determined upon the basis of agreement of all producers on the farm who paid the penalty. Such agreement shall be indicated by the signatures of all such producers on Form 40-Tob-41. If the producers fail to agree, the county committee shall make such division upon the basis of all available information. If any producer cannot be located or refuses to sign the application, a statement of the facts in the case, signed by the county committee, shall be attached to the application when submitted to the Marketing Quota Section.

The instructions contained in ACP-16 with respect to producers' signatures shall be followed in executing Form 40-Tob-41.

(f) Enter in item 14 the date on which the Form 40-Tob-41 was signed by all producers and submitted to the county office.

(g) Enter in item 15 the percent excess which is the percent of excess acreage entered on the marketing card for the farm.

(h) The county committee shall review each application and if it approves the application, its approval shall be indicated by a member affixing his signature and the date in section 5.

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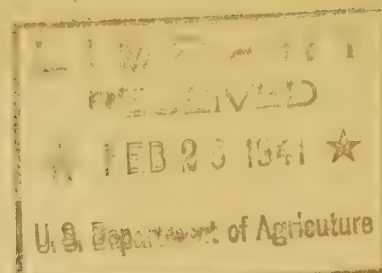
SRM-430, Supplement 1
Southern Region Miscellaneous Series

Issued February 10, 1941

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION

SOUTHERN DIVISION

COUNTY OFFICE INSTRUCTIONS - BLUE-CURED TOBACCO MARKETING QUOTAS
(1940-41 MARKETING YEAR)



SRM-430 is hereby amended as follows:

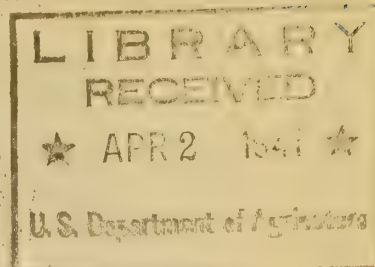
- A. Subparagraph (c) on page 7 is amended to read as follows:
 - "(c) Enter in items 6 through 12 the data shown in items 14 through 19, respectively, Form 40-Tob-33."
- B. The designation of paragraph "(c)" on page 8 is hereby changed to "(e)".
- C. Paragraph 7 is amended by the addition of the following subparagraph (i) on page 8:
 - "(i) After the application has been approved by the County committee, it shall be transmitted to the State office for review and transmittal to the Marketing Quota Section."

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SRM-430
Southern Region Miscellaneous Series
Supplement 2

Issued March 14, 1941

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
SOUTHERN DIVISION



COUNTY OFFICE INSTRUCTIONS - FLUE-CURED TOBACCO MARKETING QUOTAS
(1940-41 MARKETING YEAR)

SRM-430, as amended, is hereby further amended by deleting item 7 beginning on page 7 and inserting in lieu thereof the following:

"7. Preparation of Form 40-Tob-41, 'Application for Return of Penalty.' Whenever marketings of tobacco from any farm have been completed the county office shall, in the case of Within Quota Marketing Cards, add the total marketings as shown on all memoranda of sale for the farm and on the marketing card (if returned to the county office by the farmer) and complete the entries on Form 40-Tob-31. In the case of farms for which Excess Marketing Cards are issued the county office shall obtain a report from the farm operator on Form 40-Tob-33 showing the disposition of the excess tobacco. If excess penalty has been paid and the operator desires to submit an application for return of penalties paid, such application must be filed on Form 40-Tob-41.

"The marketing quota regulations for flue-cured tobacco (40-Tob-42) provide for the return of penalty on the basis of excess tobacco stored or otherwise disposed of to the extent that such tobacco is representative of the crop and does not contain an undue proportion of low grade tobacco. Penalty will be returned only with respect to representative tobacco which is disposed of by use on the farm under the supervision of the county committee or is stored under arrangements satisfactory to the Agricultural Adjustment Administration. In connection with such application the poundage of representative tobacco with respect to which Form 40-Tob-41 is filed and the amount of such penalty will be determined and computed as follows:

- (a) The county committee (at least two members thereof) in cooperation with the farm operator will determine the poundage of tobacco to be disposed of and will appraise the market value of such tobacco.

(b) Compute the average price per pound for the entire crop by dividing the total pounds into the sum of the gross price of the tobacco marketed and appraised value of the tobacco not marketed.

(c) Obtain the poundage of representative tobacco by dividing the appraised value of the tobacco disposed of other than by marketing by the average price per pound for the entire crop.

(If the committee after examination of the tobacco on hand determines that all of such tobacco is representative, the computations provided in items 1, 2, and 3 need not be made.)

(d) Obtain the amount of penalty to be returned by multiplying the pounds of tobacco (disposed of other than by marketing) determined to be representative by the percent 'within quota' (the difference between the percent excess and 100 percent) and multiplying the result by 10 cents per pound.

Examples

Item Headings (Column A)	Source of Entry (Column B)	Examples (Column C)	
		Farm 1	Farm 2
1. Acreage allotment	Excess Listing Sheet	3.0:	6.0
2. Harvested acreage	" " "	10.0:	10.0
3. Percent excess	" " "	70%:	40%
4. Total pounds marketed	" " "	5,000:	8,500
5. Gross value of marketings	Memo of Sale	\$1,000.00:	\$1,275.00
6. Total pounds disposed of	Committee determination	5,000:	1,500
7. Value of tobacco disposed of	Appraisal	\$250.00:	\$75.00
8. Average price for crop	(Item 5 ÷ 7) ÷ (Item 4 ÷ 6)	12.5:	13.5
9. Pounds of representative tobacco on hand	Item 7 ÷ 8	2,000:	555
10. Percent within quota	100% minus 'percent excess'	30%:	60%
11. Penalty to be returned	Item 10 x Item 9 x 10 cents	\$60.00:	\$33.30

'Execution of Form 40-Tob-41, 'Application for Return of Penalty.'

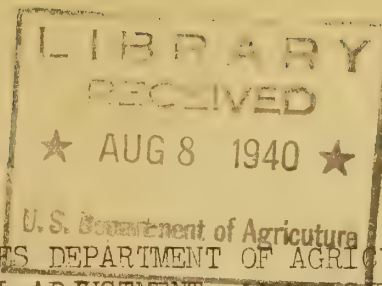
- (a) Enter the state and county code and farm serial number in the space provided in the upper right corner.
- (b) Enter in Table I in the spaces provided the name and address of each warehouse at which a sale was made or the name and address of each buyer for nonwarehouse sales and in the spaces provided thereunder, the serial number and date of each memorandum of sale issued covering a sale of tobacco at that warehouse or to that buyer.
- (c) The county office should prepare a work sheet for each application. This work sheet should carry the headings shown in columns (A) and (B) for the examples contained in these instructions and the data for the farm with respect to which the application is filed will be determined as set forth for the cases shown in column (C).
- (d) The following entries and corrections will be made in Items 6 through 11 of Section IV of the application:
 - (1) Enter in Item 6 the total pounds marketed which will be the entry in line 4 of the work sheet.
 - (2) Item 7 of the application will be corrected by deleting the words 'Final Quota' and inserting in lieu thereof the words 'Total Pounds Disposed of' and the figure as shown in line 6 of the work sheet will be entered in the space provided.
 - (3) Item 8 of the application will be corrected by deleting the words 'Excess Marketings' and inserting in lieu thereof the words 'Pounds of Representative Tobacco', and the figure as shown in line 9 of the work sheet will be entered in the space provided.
 - (4) Enter in Item 9 the amount of penalty collected on sales of tobacco from the farm as shown on the memoranda of sale.
 - (5) Item 10 should be left blank.

- (6) In Item 11 the amount of the penalty to be returned should be entered as shown in line 11 of the work sheet.
- (e) Enter in the spaces provided in columns A and B of Table II the name and address of each person applying for the return of penalty paid with respect to the farm. Where the amount shown in column C is to be paid separately to one person, the name, address and signature of such person should be shown in column A and a mark should be drawn through the space in column B. Where the amount is to be paid jointly to two persons, the name, address and signature should be shown in column A and the name and signature of the other person in column B. The making of payments to each person separately or as to joint payees should be left to the choice of the farm operator and other persons who are entitled to share with him in the payment.
- (f) Enter in column C of Table II the amount to be repaid to each applicant. The total of these amounts should be entered in item 12 and must equal the entry in item 11. The division of the amount of penalty to be returned shall be determined upon the basis of agreement of all producers on the farm who paid the penalty. Such agreement shall be indicated by the signatures of all such producers on Form 40-Tob-41. If the producers fail to agree, the county committee shall make such division upon the basis of all available information. If any producer cannot be located or refuses to sign the application, a statement of the facts in the case, signed by the county committee, shall be attached to the application.
- The instructions contained in ACP-16 with respect to producers' signatures shall be followed in executing Form 40-Tob-41.
- (g) Enter in item 13 the date on which the Form 40-Tob-41 was signed by all producers and submitted to the county office.
- (h) Enter in item 14 the percent excess which is the percent of excess acreage entered on the marketing card for the farm.

- (i) The county committee shall review each application and if it approves the application, its approval shall be indicated by a member affixing his signature and the date in section 5.
- (j) After the Form 40-Tob-41 has been approved by the county committee the copy shall be detached and retained in the county office files. The original shall be transmitted to the State office, together with a copy of the work sheet.
- (k) The State office will forward the executed application and the work sheet to the Marketing Quota Section."

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SRM-431

Southern Region Misc. Series



July 25, 1940

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION

SOUTHERN DIVISION

COUNTY OFFICE REPORTS OF PRODUCERS WHO KNOWINGLY OVERPLANT
COTTON ACREAGE ALLOTMENTS IN 1940

As soon as form Cotton 418, "Overplanted Farms," can be prepared in the county office in connection with cotton marketing quotas, the producers shown thereon shall be notified in writing that they are presumed to have knowingly overplanted their cotton acreage allotments and that they will be given 15 days in which to notify the county committee whether they intend to try to rebut this presumption. All requests for a hearing must be promptly considered and each producer making a request must be advised of the date on which a hearing will be given him, such hearing in no case to be held more than 15 days subsequent to the date on which the request for same was filed with the county committee. All such cases must be heard by the committee and a decision rendered thereon within 30 days after the original notice was mailed to the producer.

As soon as these hearings are had, a list shall be prepared of the farms with respect to which the presumption of knowingly overplanting has not been rebutted to the satisfaction of the county committee. A check shall then be made to determine whether the cotton producers on such farms are interested in any other farms or in ranching units or turpentine places in other counties in the State or in other States (including Alaska, Hawaii, and Puerto Rico). If the State committee later rules, with respect to other farms in the county, that the cotton acreage allotments were knowingly overplanted, such farms shall be added to the above list and a check made with respect to the multiple-farm provision.

As soon as this information is secured it shall be forwarded to the State office. A separate statement shall be submitted for each such producer who has interests in other counties in the State or in other States and shall set forth (1) his name, (2) his full mail address, (3) the fact that he has knowingly overplanted his cotton acreage allotment on one or more farms in the county, (4) the names of the other counties in the State or the names of other States (including the names of the counties in such States) in which his other interests are located, and (5) whether such other interests are farms, ranching units, or turpentine places.

The State office shall forward one copy of the statement to each applicable county in the State, one copy to the Administrative Officer in Charge of each applicable State/office in the Southern Region, and two copies to the Director of the Southern Division if the producer's other interests are outside the Southern Region.

The original statements from the county office shall be filed in a separate file in the State office. If any interested producer later rebuts the presumption that he knowingly overplanted his cotton acreage allotment in 1940 and the State committee approves the Form SRM-447 (or separate statement by a landlord) with respect to the farm, the file must be checked and a statement regarding the satisfactory rebuttal must be forwarded to each office to which a statement regarding the overplanting was transmitted in the first instance.

Any State office receiving notice from another State office regarding a case of overplanting (or later a notice that the presumption of knowingly overplanting has been satisfactorily rebutted) shall immediately forward a copy of such notice to each applicable county office in the State.

Any county office receiving a notice that a producer in that county has knowingly overplanted his cotton acreage allotment in another county or State shall immediately take steps to see that payment is not approved for such producer on any application submitted from that county under the 1940 Agricultural conservation, range conservation, or naval stores conservation program. Where, prior to receipt of such notice, an application for payment under one or more of these programs has been approved for such a producer, the State office should be so advised immediately and if any check is subsequently received in the county office for the producer under such application(s), it shall be returned to the Regional Disbursing Office for cancellation.

Where payment is approved for other producers on an application in which the producer who has overplanted is interested, a copy of the statement received from the State office relative to the overplanting should be attached to the application when it is submitted to the State office for payment. If notice is later received that the producer has satisfactorily rebutted the presumption that he knowingly overplanted, an adjustment application may be submitted for such producer, or if he is the only interested person on the application an original application may then be submitted to the State office for payment.

I. W. Duggan

I. W. Duggan,
Director, Southern Division.

Issued April 8, 1940.

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION

SOUTHERN DIVISION

PROCEDURE TO BE FOLLOWED BY COUNTY OFFICES IN CHECKING
COMPLIANCE ON INDIVIDUAL FARMS WITH RESPECT TO THE USE
OF SOIL-CONSERVING CROPS IN 1940

I. GENERAL

This procedure is applicable only in the following counties in the Southern Region:

Louisiana:

Acadia, Cameron, Vermilion.

Mississippi:

Greene, Lamar, Pearl River.

Oklahoma:

Cherokee, McIntosh, Okfuskee, Sequoyah.

Texas:

Anderson, Austin, Bell, Brazoria, Brown, Burleson, Caldwell, Clay, Dawson, Denton, Eastland, Erath, Fannin, Fayette, Fort Bend, Gonzales, Grayson, Grimes, Hale, Hamilton, Haskell, Henderson, Hill, Hood, Hopkins, Hunt, Johnson, Jones, Karnes, Lavaca, Limestone, Marion, Morris, Panola, Rains, Red River, Runnels, Smith, Taylor, Van Zandt, Walker, Waller, Washington, Wharton, Willacy.

It will be necessary in the above counties for each farm which is to be covered by an application for payment under the 1940 Agricultural Conservation Program (except those in Area B having no special allotment) to be checked to determine that the provision of the 1940 State Handbook relating to the use of soil-conserving crops has not been violated. A farm will be considered to be in compliance with this provision if:

- (1) The present number of milk cows on the farm does not exceed the normal number by 3 or more; or
- (2) There has been no increase in the number of cows kept on the farm for the production of milk, or products thereof, for market; or
- (3) Less than 10 percent of the milk, or products thereof, produced on the farm is for market; or
- (4) There is withheld from the production of soil-depleting crops and from the production of soil-conserving crops for market an acreage of cropland equal to the smaller of the following:
 - (a) The amount by which the normal acreage of soil-depleting crops on the farm exceeds the total soil-depleting acreage allotment established for the farm for 1940, or
 - (b) The amount by which the normal acreage of soil-depleting crops on the farm exceeds the acreage devoted to soil-depleting crops on the farm in 1940.

II. ENTRIES TO BE MADE IN SECTION 7 OF FORM SR-412

- A. Before the performance reporter goes to the field to make the regular check of performance on a farm, the following entries should be made in Section 7 of Form SR-412, "Performance Report" (hereinafter referred to as form 412), covering such farm:
 - (1) Enter in the first blank line the words "Present number of milk cows."
 - (2) Enter in the second blank line the words "Normal number of milk cows."
- B. While the performance reporter is making the regular check of performance on the farm, he should make the following entries in Section 7 of form 412:
 - (1) Enter in the first blank line following the words "Present number of milk cows" the number of cows

and heifers on the farm which have been milked at any time during the past 12 months.

- (2) Enter in the second blank line following the words "Normal number of milk cows" the usual or average number of milk cows on the farm during the 5 years 1935-1939, omitting any years when the number of such cows was abnormally high or abnormally low.

III. USE OF FORM ACP-77

If the entries in Section 7 of form 412 show that the present number of milk cows on the farm exceeds the normal number by 3 or more, it will be necessary that Form ACP-77, "Analysis Sheet - Use of Soil-Conserving Crops for Market" (hereinafter referred to as form 77), be executed for the farm. For this reason each performance reporter going to the field should be given a supply of blank forms 77.

Form 77 shall be prepared in the original only (except as indicated on the last page of this procedure), in accordance with the instructions set out below. It should be noted that no entries need be made on the form beyond any point where it is determined that the farm is in compliance insofar as the use of soil-conserving crops is concerned.

A. While the performance reporter is making the regular check of performance on the farm, he should make such of the following entries on form 77 as are applicable:

- (1) Enter the State and county code and farm serial number, and the name of the farm operator in the applicable spaces, and "1940" in the space provided opposite the words "Agricultural Conservation Program" in the heading of the form.
- (2) Enter in line 1, column (b), Section I, the present number of milk cows on the farm, from Section 7 of form 412.
- (3) Enter in line 2, column (b), Section I, the normal number of milk cows on the farm, from Section 7 of form 412.
- (4) Enter in line 1, column (c), Section I, the present number of milk cows kept on the farm for the production of milk for home consumption.

- (5) Enter in line 2, column (c), Section I, the usual or average number of milk cows kept on the farm for the production of milk for home consumption.
 - (6) Enter in line 3, columns (b) and (c), Section I, the amounts by which entries in line 1 of the respective columns exceed the entries in line 2 thereof.
 - (7) If the entry in line 3, column (b), exceeds the entry in line 3, column (c), enter in line 4, Section I, the percentage of the total milk, or products thereof, produced on the farm in 1940 which is for market.
 - (8) The performance reporter should then secure the signature of the farm operator and affix his own signature in Section V, and enter the date in the spaces provided.
- B. After the field acreages have been computed in the county office and form 412 completed for the farm, such of the following entries as are applicable should be made on form 77 for each farm where the entry in line 3, column (b), Section I exceeds the entry in line 3, column (c), Section I, and the entry in line 4, Section I is 10 percent or more:

- (1) Enter in line 1, Section II, the normal acreage of soil-depleting crops grown on the farm. This figure will be obtained by multiplying the acreage in each allotment established for the farm by the applicable conversion factor shown below and adding the resulting figures:

<u>Crop</u>	<u>Conversion Factor</u>
Cotton	148
Wheat	114
Rice	110
Peanuts	111
Sugarcane for sugar	100
General (Area A)	112
General (Area B)	100

- (2) Enter in line 2, Section II, the total soil-depleting acreage allotment established for the farm, from column 31 of Form SR-404-G.
- (3) Enter in line 3, Section II, the total acreage on the farm classified as soil-depleting in 1939, from Section 2 of form 412.
- (4) Enter in line 4, Section II, the amount by which the entry in line 1 exceeds the larger of the entries in lines 2 and 3.
- (5) Enter in line 1, column (b), Section III, the acreage of land on the farm which is tilled in 1940 or tilled in regular rotation and which is not classified as soil-depleting in 1940, from Section 3 of form 412.
- (6) Enter in line 2, column (b), Section III, the total nondepleting acreage entered in Section 3 of form 412, excluding any part thereof which is devoted to grasses or legumes.

C. If the entry in line 4, Section II, exceeds the entry in line 2, Section III, the performance reporter must revisit the farm in question and make such of the following entries as are applicable:

- (1) Enter in line 3(a), Section III, in the space provided immediately to the left of column (b), the nondepleting acreage devoted to grasses or legumes not harvested or pastured.
- (2) Enter in line 3(b), Section III, in the space provided immediately to the left of column (b), the nondepleting acreage devoted to grasses or legumes harvested for seed to be used on the farm.
- (3) Enter in line 3, column (b), Section III, the sum of the entries in lines 3(a) and 3(b).
- (4) Enter in line 4, Section III, the sum of the entries in lines 2 and 3.
- (5) If the entry in line 4, Section II, exceeds the entry in line 4, Section III -
 - (a) Enter in line 5, Section III, the non-depleting acreage devoted to grasses or

legumes harvested for sale as hay or seed.

(b) Enter in lines 1, 2, 3, 4, 5, and 7, column (b), Section IV, the respective numbers of all designated forage-consuming animals on the farm.

(6) The performance reporter should then secure the initials of the farm operator and affix his own initials in Section V to the left of the original signatures, and enter the date immediately to the right of the original date.

D. If it was necessary in accordance with the above instructions that the performance reporter secure data for Section IV of form 77, the form must be completed as follows:

- (1) Enter in line 6, Section III, the sum of the entries in lines 4 and 5.
- (2) Enter in line 7, Section III, the amount by which the entry in line 1 exceeds the entry in line 6.
- (3) Enter in lines 1, 2, 3, 4, 5, and 7, column (d), Section IV, the results obtained by multiplying the entries in column (b) by the respective conversion factors shown in column (c).
- (4) Enter in line 6, column (d), Section IV, the sum of the entries in lines 1 through 5, column (d).
- (5) Enter in line 8, column (d), Section IV, the sum of the entries in lines 6 and 7, column (d).
- (6) Enter in line 9, column (d), Section IV, the percentage figure derived by dividing the entry in line 6, column (d), by the entry in line 8, column (d). This percentage figure will represent the ratio between the forage-consuming animal units, exclusive of dairy cows kept for the production of milk or products thereof for market, and the total forage-consuming animal units on the farm.
- (7) Enter in line 8, Section III, the product obtained by multiplying the entry in line 7 by the percentage figure derived in line 9, Section IV.

- (8) Enter in line 9, Section III, the sum of the entries in lines 4 and 8. If the entry in line 9 equals or exceeds the entry in line 4, Section II, the farm is eligible for payment insofar as the use of soil-conserving crops is concerned. If the entry in line 9, Section III, is smaller than the entry in line 4, Section II, the farm is not eligible for any payment under the 1940 Agricultural Conservation Program.

IV. DISPOSITION TO BE MADE OF FORM 77

Where it is determined that a farm is eligible for payment insofar as the use of soil-conserving crops is concerned, form 77 should be filed in the county office as a permanent part of the farm's performance records for the year.

Where it is determined that none of the four conditions set out at the top of page 2 of this procedure has been met, no application for payment may be approved for the farm. A "dummy" application should be prepared in such cases, however, and the following notation should be clearly written across the face of same: "Soil-conserving crops misused." Form 77 should then be securely fastened to and submitted with the application to the State office. In such cases, the original form 77 should be submitted to the State office and a copy made for the county office files.

V. DEFINITIONS

As used herein and on form 77:

For market means for disposition by sale, barter, or exchange.

For home consumption means for consumption by the farmer's family, employees, or household.

Soil-conserving crops means grasses or legumes grown on land which is tilled in 1940 or tilled in regular rotation, except those classified as soil-depleting in the 1940 State Handbook.

I. W. Duggan

I. W. Duggan,
Director, Southern Division.

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION

SOUTHERN DIVISION

INSTRUCTIONS FOR HANDLING APPLICATIONS FOR PAYMENT SUBMITTED AFTER ADMINISTRATIVE CLOSING DATES UNDER THE VARIOUS AGRICULTURAL CONSERVATION AND PRICE ADJUSTMENT PROGRAMS: 1936 to 1940, INCLUSIVE

SECTION I. AVAILABILITY OF APPROPRIATIONS:

<u>Program Year</u>	<u>Expiration of Period For Obligating Appropriation</u>	<u>Expiration of Appropriation</u>
1937 CAP	Available until obligated	Available until expended
1939 PAP	Available until obligated	Available until expended
1940 PP	June 30, 1942	June 30, 1944
1936 ACP	June 30, 1938	June 30, 1940
1937 ACP	June 30, 1939	June 30, 1941
1938 ACP	June 30, 1940	June 30, 1942
1939 ACP	June 30, 1941	June 30, 1943
1940 ACP	June 30, 1942	June 30, 1944

SECTION II. ADMINISTRATIVE CLOSING DATES:

<u>State</u>	<u>1937 CAP</u>	<u>1939 PAP</u>	<u>1940 PP</u>	<u>1938 ACP</u>	<u>1939 ACP</u>	<u>1940 ACP</u>
Alabama	10-1-39	1-31-40	12-31-40	1-1-40	5-31-40	3-31-41
Arkansas	10-1-39	1-1-40	12-31-40	1-1-40	3-31-40	3-31-41
Florida	10-1-39	1-1-40	12-31-40	1-1-40	4-1-40	3-31-41
Georgia	10-1-39	12-31-39	12-31-40	1-1-40	4-30-40	3-31-41
Louisiana	10-1-39	1-31-40	12-31-40	1-1-40	5-31-40	3-31-41
Mississippi	10-1-39	1-31-40	12-31-40	1-1-40	5-31-40	3-31-41
Oklahoma	10-1-39	1-1-40	12-31-40	1-1-40	4-30-40	3-31-41
South Carolina	10-1-39	1-31-40	12-31-40	1-1-40	5-31-40	3-31-41
Texas	10-1-39	1-31-40	12-31-40	1-1-40	5-31-40	3-31-41

SECTION III. EXCEPTIONS TO CLOSING DATES:

A. The following types of cases may be accepted, if otherwise regular, without approval of the State committee:

1. An adjustment application requesting an increased payment (other than one resulting from the provision for increasing small payments) if filed within 30 days after receipt of the
 - (a) Check by the applicant under the original application,
 - (b) Association expense deduction notice in cases where the applicant did not receive a check for any part of the payment computed under the original application,

- (c) Notice of corrected allotment or yield in cases where any allotment or yield has been corrected in accordance with an approved procedure,
 - (d) Notice of decision in cases where producer has filed an appeal with County committee, State committee, or Director of the Southern Division.
- 2. An adjustment application resulting in a decreased payment may be filed at any time.
 - 3. An adjustment application by a person whose interest was not shown on the original application may be filed by such person at any time during the period for obligating the appropriation.
 - 4. An adjustment application correcting the division of payment between two or more applicants (or reducing the payment to an assignee) may be filed at any time during which the appropriation is available, provided the original application was timely filed.
 - 5. A supplemental application by a person whose interest was shown on the original application but who failed to sign may be filed at any time during the period for obligating the appropriation.
- B. Applications filed after the administrative closing date but before expiration of the period for obligating the appropriation may be accepted in the following cases, if otherwise regular, if approved by the State committee. (A statement of approval by the State committee shall accompany the application to preaudit.)
- 1. Where the failure to file within the closing date was due to an error on the part of an officer or employee of the county association, as follows:
 - (a) Loss or misplacement of the application or other necessary papers.
 - (b) Erroneous determination that if the application were filed no payment would be made thereunder, as, for example, an erroneous determination of the amount earned or of noncompliance with provisions of the program.
 - (c) Failure to determine, or erroneous determination as to, who was eligible to file.
 - 2. Where the producer was unable to sign the application before the expiration of the closing date due to:
 - (a) Sickness,

- (b) The suspension or removal of a county agricultural association committee by the State committee or Regional Office.
- (c) The failure of a U. S. Postmaster to forward a letter containing an application for payment to the producer when it is shown that the producer left a forwarding address.

- 3. Where, because of death or incompetency, bankruptcy, or other legal proceedings, the county committee was unable, prior to the expiration of the closing date, to determine who was eligible to file the application.

SECTION IV. APPLICATIONS FOR PAYMENT APPROVED AFTER APPROPRIATION HAS CEASED TO BE AVAILABLE FOR EXPENDITURE:

- A. In cases where payment is found to be due persons who participated in a program for which the appropriation has ceased to be available for expenditure and for whom obligations existed as of the date the appropriation ceased to be available, payment should be approved, if otherwise regular, and the case forwarded to the Director for submission to the Claims Division of the GAO. In such cases the application for payment shall be accompanied by a properly executed Form AD-42 which shall show the respective program appropriation as the appropriation chargeable. In addition to the usual statements in the administrative report, the report shall also contain a statement to the effect that the amount approved was included in the unexpended balance of the appropriation carried into the surplus fund on the date the appropriation ceased to be available for expenditure.

SECTION V. DATE OF APPLICATION:

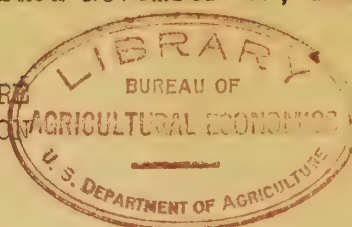
- A. The date to be entered on an application for payment shall be the date the signature of the applicant(s) was affixed, the date of filing, or the date the application was approved by the county committee, whichever is applicable under the program in connection with which application for payment is made. If such date is later than the last date on which in accordance with provisions of the preceding sections, an acceptable application may be filed but the applicant did file with the county office a request for the payment on or before such final date, the written request should be attached to the application. In such cases the date on which the request was made shall be considered, insofar as closing dates are concerned, to be the date on which application for payment was made.

SECTION VI. SUPPLEMENT NO. 1 TO ACP-115:

- A. In accordance with the provisions of Supplement No. 1 to ACP-115, "Procedure Governing the Handling of Cases Involving Overpayments under any Programs Administered through the Agricultural Adjustment Administration," no closing date is applicable to adjustment applications under 1939 or prior agricultural conservation or rental-benefit programs filed in connection with cases where one producer was over-paid and another producer was underpaid under the same application and in accordance with paragraph 1 (b) of such supplement.

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UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION



SOUTHERN DIVISION

INSTRUCTIONS FOR HANDLING APPLICATIONS FOR PAYMENT SUBMITTED AFTER ADMINISTRATIVE CLOSING DATES UNDER THE VARIOUS AGRICULTURAL CONSERVATION AND PRICE ADJUSTMENT PROGRAMS: 1936 to 1939, INCLUSIVE

SECTION I. AVAILABILITY OF APPROPRIATIONS:

<u>Program Year</u>	<u>Expiration of Period For Obligating Appropriation</u>	<u>Expiration of Appropriation</u>
1937 CAP	Available until obligated	Available until expended.
1939 PAP	Available until obligated	Available until expended
1936 ACP	June 30, 1938	June 30, 1940
1937 ACP	June 30, 1939	June 30, 1941
1938 ACP	June 30, 1940	June 30, 1942
1939 ACP	June 30, 1941	June 30, 1943

SECTION II. ADMINISTRATIVE CLOSING DATES:

<u>State</u>	<u>1937 CAP</u>	<u>1939 PAP</u>	<u>1938 ACP</u>	<u>1939 ACP</u>
Alabama	10-1-39	1-31-40	1-1-40	5-31-40
Arkansas	10-1-39	1-1-40	1-1-40	3-31-40
Florida	10-1-39	1-1-40	1-1-40	4-1-40
Georgia	10-1-39	12-31-39	1-1-40	4-30-40
Louisiana	10-1-39	1-31-40	1-1-40	5-31-40
Mississippi	10-1-39	1-31-40	1-1-40	5-31-40
Oklahoma	10-1-39	1-1-40	1-1-40	4-30-40
South Carolina	10-1-39	1-31-40	1-1-40	5-31-40
Texas	10-1-39	1-31-40	1-1-40	5-31-40

SECTION III. EXCEPTIONS TO CLOSING DATES:

- A. The following types of cases may be accepted, if otherwise regular, without approval of the State committee:
1. An adjustment application requesting an increased payment (other than one resulting from the provision for increasing small payments) if filed within 30 days after receipt of the
 - (a) Check by the applicant under the original application,
 - (b) Association expense deduction notice in cases where the applicant did not receive a check for any part of the payment computed under the original application,

- (c) Notice of corrected allotment or yield in cases where any allotment or yield has been corrected in accordance with an approved procedure,
 - (d) Notice of decision in cases where producer has filed an appeal with County committee, State committee, or Director of the Southern Division.
2. An adjustment application resulting in a decreased payment may be filed at any time.
 3. An adjustment application by a person whose interest was not shown on the original application may be filed by such person at any time during the period for obligating the appropriation.
 4. An adjustment application correcting the division of payment between two or more applicants (or reducing the payment to an assignee) may be filed at any time during which the appropriation is available, provided the original application was timely filed.
 5. A supplemental application by a person whose interest was shown on the original application but who failed to sign may be filed at any time during the period for obligating the appropriation.
- B. Applications filed after the administrative closing date but before expiration of the period for obligating the appropriation may be accepted in the following cases, if otherwise regular, if approved by the State committee. (A statement of approval by the State committee shall accompany the application to preaudit.)
1. Where the failure to file within the closing date was due to an error on the part of an officer or employee of the county association, as follows:
 - (a) Loss or misplacement of the application or other necessary papers.
 - (b) Erroneous determination that if the application were filed no payment would be made thereunder, as, for example, an erroneous determination of the amount earned or of noncompliance with provisions of the program.
 - (c) Failure to determine, or erroneous determination as to, who was eligible to file.
 2. Where the producer was unable to sign the application before the expiration of the closing date due to:
 - (a) Sickness,

- (b) The suspension or removal of a county agricultural association committee by the State committee or Regional Office.
 - (c) The failure of a U. S. Postmaster to forward a letter containing an application for payment to the producer when it is shown that the producer left a forwarding address.
3. Where, because of death or incompetency, bankruptcy, or other legal proceedings, the county committee was unable, prior to the expiration of the closing date, to determine who was eligible to file the application.

SECTION IV. APPLICATIONS FOR PAYMENT APPROVED AFTER APPROPRIATION HAS CEASED TO BE AVAILABLE FOR EXPENDITURE:

- A. In cases where payment is found to be due persons who participated in a program for which the appropriation has ceased to be available for expenditure and for whom obligations existed as of the date the appropriation ceased to be available, payment should be approved, if otherwise regular, and the case forwarded to the Director for submission to the Claims Division of the GAO. In such cases the application for payment shall be accompanied by a properly executed Form AD-42 which shall show the respective program appropriation as the appropriation chargeable. In addition to the usual statements in the administrative report, the report shall also contain a statement to the effect that the amount approved was included in the unexpended balance of the appropriation carried into the surplus fund on the date the appropriation ceased to be available for expenditure.

SECTION V. DATE OF APPLICATION:

- A. The date to be entered on an application for payment shall be the date the signature of the applicant(s) was affixed, the date of filing, or the date the application was approved by the county committee, whichever is applicable under the program in connection with which application for payment is made. If such date is later than the last date on which in accordance with provisions of the preceding sections, an acceptable application (original, supplemental, or adjustment, as the case may be) may be filed but the applicant did file with the county office a written request for the payment on or before such final date, the written request should be attached to the application. In such cases the date on which the request was made shall be considered, insofar as closing dates are concerned, to be the date on which application for payment was made.

SECTION VI. SUPPLEMENT NO. I TO ACP-115:

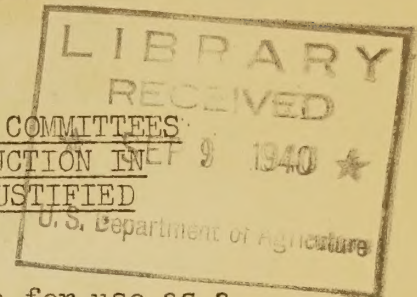
- A. In accordance with the provisions of Supplement No. 1 to ACP-115, "Procedure Governing the Handling of Cases Involving Overpayments under any Programs Administered through the Agricultural Adjustment Administration," no closing date is applicable to adjustment applications under 1939 or prior agricultural conservation or rental-benefit programs filed by an underpaid producer where his payment was made to another producer prior to July 2, 1940.

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Issued August 14, 1940.

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
SOUTHERN DIVISION

PROCEDURAL GUIDE FOR USE BY COUNTY AND STATE COMMITTEES
IN DETERMINING IF CHANGE IN STATUS OR REDUCTION IN
NUMBERS OF TENANTS AND SHARECROPPERS IS JUSTIFIED



The following statement has been agreed upon for use as a guide by county and State committees in considering whether or not changes in relationships between landlords or operators and tenants or sharecroppers are justified within the meaning of section 8 (f) of the Soil Conservation and Domestic Allotment Act, as amended. The committees should take these factors into consideration in connection with their determinations under the 1940 parity payment and agricultural conservation programs.

In considering for approval or disapproval (1) a change in relationship between a landlord or operator and the tenants or sharecroppers with respect to any farm that would increase for the landlord or operator over the previous year the proportionate share of any soil-depleting crop for which a payment is computed, or (2) a reduction in the number of tenants or sharecroppers as compared with the average of the preceding three years, that would increase for the landlord or operator over the average for such years the share of any soil-depleting crop for which a payment is computed, the following factors should be taken into account as guides by the county and State committees:

1. Changes or reductions made for the purpose of increasing the landlord's or operator's proportionate share of the payment under the agricultural conservation or parity payment programs shall in all cases be found not justified.
2. The following factors are not considered in and of themselves sufficient justification for a change or reduction:
 - (a) The acreage allotment for a crop was smaller than the acreage normally grown on the farm.
 - (b) The acreage of a particular crop grown on the farm was substantially smaller than the acreage normally grown thereon.

- (c) Addition of mechanical equipment which resulted in reduced labor requirements for the farm.
 - (d) A tenant voluntarily left the farm. (In such cases the committee should consider whether or not it was possible for the landlord or operator to obtain another tenant before the time leasing or cropping agreements were ordinarily consummated.)
 - (e) A shift from one major cash crop to another major cash crop.
 - (f) Reduction in percentage share of a crop to a tenant when there was no corresponding change in the tenant's contribution to its production.
 - (g) Need for increased income to landlord or operator.
 - (h) The substitution of a hired hand for a tenant or sharecropper.
3. Factors which might be considered in and of themselves sufficient justification for a change or reduction:
- (a) A tenant or sharecropper left voluntarily and the landlord or operator was unable to secure another tenant or sharecropper after a definite effort was made to do so.
 - (b) A direct increase in the labor contribution of the family of the landlord or operator. (This might have resulted from the growing-up of children, the return home of a member of the family, the marriage of a member of the family, or other similar circumstance.)
 - (c) An absentee landlord or operator moved on the farm to operate it with the labor of his own family.
 - (d) Voluntary abandonment of a crop by tenant or sharecropper too late for the landlord or operator to secure a satisfactory tenant or sharecropper.
 - (e) A change in landlord or operator where the new landlord or operator normally followed a system of farming which required a smaller amount of labor than the system previously used on the farm or a different type of labor.

- (f) A change in landlord or operator where the new landlord or operator had a larger working force in his family than the previous landlord or operator had.
- (g) A tenant became a sharecropper because he was unable to continue to furnish workstock and equipment or because of other circumstances not the result of the action of the landlord or operator.
- (h) A neighboring farmer had been field-renting part of the farm and did not do so in 1940.
- (i) A share tenant or sharecropper normally worked on a farm on a share basis but bought the farm and operated it as owner in 1940.

Walter L. Randolph

Walter L. Randolph,
Acting Director, Southern Division.

- (1) A message in London to the effect that the new law-
less or reckless had a better working law in his
country than the previous law in his country.
- (2) A group of men in London had been thinking of
in relation to the lawless and reckless or
because of their recklessness and the result of the
action of the lawless or reckless.
- (3) A group of men in London had been thinking of
the law and the law in the law.
- (4) A group of men in London had been thinking of
the law and the law in the law.

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